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Department of Natural Resources
Division of Oil, Gas and Mining
3 Triad Center, Suite 350
355 West North Temple
Salt Lake City, Utah 84180-1203

SECRETARY, BOARD OF
OIL, GAS & MINING

Attn: James W. Carter, Chairman of the Board

RE: IN THE MATTER OF THE PETITION OF THE DIVISION OF OIL, GAS
AND MINING FOR AN ORDER REQUIRING CESSATION OF MINING,
RECLAMATION AND POSTING OF SURETY, PAGANO CLAY ESTATE,
HAROLD MARSTON PERSONAL REPRESENTATIVE AND OPERATOR,
PAGANO CLAY PROJECT, EMERY COUNTY, UTAH

DOCKET NO. 93-004
CAUSE NO. M/015/062

Mr. Carter:

This letter is submitted as a follow-up and in response to the Summons and Order to Show Cause served upon my client, Harold Marston, as personal representative of the Pagano Estate, who appears as the operator of the Pagano Clay Project in the above referenced matter. Enclosed please find a copy of my client's Response to the Order to Show Cause.

It is my understanding that a hearing is scheduled on Wednesday, February 24, 1993 to further discuss this matter. Mr. Marston and I intend to appear at that hearing along with witness Hank Regulski of ECCI for presentation of Mr. Marston's side of the story.

Please understand that Mr. Marston has been working in good faith with members of your staff to resolve the issues presented in the Order to Show Cause. I believe that Mr. Marston and your staff have come a long way in this matter and have resolved all but several minor details.

Please understand that my client is more than willing and is very interested in complying with all necessary requirements for reclamation of the Project site. In fact, a substantial portion of the reclamation work has already been done. As soon as the snow melts from the area, I believe reclamation can be completed in a timely fashion.

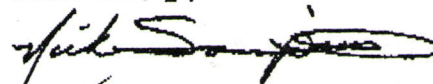
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I believe that my client and Hank Regulski of ECCI will be able to provide an adequate explanation of the activities surrounding the Pagano Clay Project that resulted in the concerns raised by the Division. Although my client has appeared in all documentation as the operator of the Clay Project, he has not actually served in that capacity. The Pagano Estate has been the recipient of a royalty interest as a result of the mining operation. At all times relevant hereto, ECCI has been the actual operator of all equipment in the extraction of clay materials.

In any event, my client, on behalf of the Jay Pagano Estate, and ECCI are ready, willing and able to proceed with a resolution of all concerns raised by the Division. By all means, we want to maintain a good working relationship with the Division and your staff.

We look forward to meeting with you on February 24. In the meantime, if you have any questions, please give me a call.

Sincerely,



Nick Sampinos
Attorney for Harold Marston,
Personal Representative of
the Jay Pagano Estate

NS/nn

Enclosure

xc: Harold Marston
Hank Regulski, ECCI
Asst. Attorney General w/enc.